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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/649,392	08/26/2003	David Marshall	06878.115301	6077
32361 7590 10/31/2007 GREENBERG TRAURIG, LLP MET LIFE BUILDING 200 PARK AVENUE NEW YORK, NY 10166			EXAMINER FU, HAO	
			ART UNIT 4172	PAPER NUMBER
			NOTIFICATION DATE 10/31/2007	DELIVERY MODE ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary

Application No.

10/649,392

Applicant(s)

MARSHALL, DAVID

Examiner

Hao Fu

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 August 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- ☐ Notice of Informal Patent Application
- ☐ Other: _____

DETAILED ACTION

Claim Rejection – USC 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 1-3, 5-8, and 10 are rejected under U.S.C. 103(a) as being unpatentable over Shultz et al. (New developments in nonqualified deferred compensation), in view of Facciani et al. (Pub. No.: US 2002/0013751).

As per claim 1, Shultz teaches a method for providing default protection associated with a protection agreement between a protection provider and a participant in a deferred compensation plan, wherein the default protection is on an unsecured general obligation of a party sponsoring the deferred compensation plan arising from the participant's election to defer at least a portion of participant's compensation (see page 4), comprising:

determining whether a credit event associated with a fixed income security issued by the party sponsoring the deferred compensation plan has occurred (see first paragraph on page 4, and the paragraphs under "Policy Terms and Features" on page 4; Shultz teaches benefit is paid only if the insurable event occurs, which suggests that there is a step of determining whether a credit event associated with a fixed income security issued by the party sponsoring the deferred compensation plan has occurred);

obligating the protection provider to make a protection payment to the participant after the credit event occurred (see the paragraphs under "Policy Terms and Features" on page 4, obligation is paid by the insurer/service provider to the executive/employee/participant), wherein the value of the protection payment is based at least in part upon the stored data including the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation (see paragraphs under "benefits" on page 4, protection payment is based on the value of the deferred compensation benefit);

calculating, on the computer, a protection agreement fee to be paid by the participant to the protection provider (see paragraph starts with "Premium", premium or the protection agreement fee is calculated as a percentage of the amount of nonqualified benefits insured; it is implied that the calculation is done on the computer, since one of ordinary skill in the art at the time of invention would perform financial

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calculation on the computer); and

making a protection agreement fee payment from the participant to the protection provider (see paragraph under Indemnity Insurance to Secure Unfunded Deferred Compensation" on page 3; the executive/employee/participant pays for the insurance, and it is inherent that premium or protection agreement fee is paid by the participant to the insurer or the protection provider in an insurance policy).

Examiner notes however, Shultz does not teach said method is implemented by a programmed computer system; and using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation.

Facciani teaches a computer implemented method relating to deferred compensation; and using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation (see paragraph 0020).

It would have been obvious to one of ordinary skill in the art at the time of invention to combine the teachings of Shultz and Facciani to come up with a computer implemented method relating to deferred compensation; and using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation.

One of ordinary skill in the art would have been motivated to combine the references in order to take advantage of all the benefits computers provide in business method.

As per claim 2, Shultz does not teach wherein the fixed income security is a debt instrument.

Facciani teaches the fixed income security is a debt instrument (see paragraph 0007 and 0039, a "bond fund" is a debt instrument).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include that the fixed income security is a debt instrument.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 3, Shultz does not teach wherein the debt instrument is a bond.

Facciani teaches the fixed income security is a debt instrument (see paragraph 0007 and 0039).

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It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include that the fixed income security is a debt instrument.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 5, Shultz teaches wherein the credit event is determined on the computer and is selected from the group including: (a) bankruptcy; (b) failure to pay an obligation when due; (c) restructuring; (d) obligation default; (e) obligation acceleration; and (t) repudiation/moratorium (see paragraphs under "Policy Terms and Features" on page 4).

As per claim 6, Shultz teaches wherein the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation is adjusted by adding to an initial value of the deferred compensation any amounts of additional compensation deferred by the participant less any payments made by the party sponsoring the deferred compensation plan to the participant (see the last paragraph on page 3, especially "the IRS ruled that executive may buy insurance to guarantee deferred compensation owed them by their employers without suffering adverse tax consequences." Here, executive is participant, and employer is sponsor party; Shultz teaches that the insurance only covers the portion of participant's deferred compensation owed by the sponsor party, which is an initial value of the deferred compensation any amounts of additional compensation deferred by the participant less any payments made by the party sponsoring the deferred compensation plan to the participant).

As per claim 7, Shultz does not teach wherein the value of the deferred compensation changes over time.

Facciani teaches investing deferred compensation in bonds. It is inherent that the value of bonds changes over time. Therefore, the value of the deferred compensation changes over time as well.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to state that the value of the deferred compensation changes over time.

One of ordinary skill in the art would have been motivated to modify the reference in order to point out the nature of deferred compensation.

As per claim 8, Shultz does not teach wherein the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

Facciani teaches investing deferred compensation in bonds. It is inherent that the value of bonds fluctuates in open market on a daily basis, so does it on a weekly basis, monthly basis, quarterly basis, semi-annually basis, and annually basis. There

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fore, the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

One of ordinary skill in the art would have been motivated to modify the reference in order to point out the nature of deferred compensation.

As per claim 10, Shultz teaches further comprising obligating the participant to provide the unsecured general obligation of the party sponsoring the deferred compensation plan to the protection provider (see paragraph under "Policy Terms and Features"; under the insurance policy of the prior art, unsecured general obligation is automatically transferred from the sponsoring party or the employer to the protection provider or the insurer).

Claim 9 is rejected under U.S.C. 103(a) as being unpatentable over Shultz et al. (New developments in nonqualified deferred compensation), in view of Facciani et al. (Pub. No.: US 2002/0013751), and further in view of Vagim et al. (Pub. No.: US 2003/0041019)

As per claim 9, Shultz teaches further comprising making the protection payment to the participant from the protection provider after determines that the credit event occurred (see paragraphs under Benefits on page 4).

Examiner notes however, Shultz does not teach the determination of credit event occurrence is done by computer.

Vagim teaches that the determination of credit event occurrence is done by computer (see paragraph 0198, "the computer program also determines if there is a bankruptcy filing...").

It would have been obvious to one of ordinary skill in the art at the time of invention to combine the references to make the protection payment to the participant from the protection provider after the computer determines that the credit event occurred.

One of ordinary skill in the art would have been motivated to combine the references in order to take advantage of all the benefits computers provide in business method.

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Claim 4 and 11 are rejected under U.S.C. 103(a) as being unpatentable over Shultz et al. (New developments in nonqualified deferred compensation), in view of Facciani et al. (Pub. No.: US 2002/0013751), and further in view of Official Notice.

As per claim 4, Schultz does not teach wherein the bond is a fixed income, long dated bond.

Official Notice is taken that fixed income long dated bond is old and well known in the finance art, and fixed income long dated bond is a common investment vehicle.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to specify the bond is a fixed income, long dated bond.

One of ordinary skill in the art would have been motivated to modify the reference in order to increase the value of the deferred compensation over time.

As per claim 11, Shultz does not teach wherein the steps are performed in the order recited.

Official Notice is taken that applicant's order of steps in claim 1 is logical and same as any common insurance scheme.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to specify that the steps in claim 1 are performed in the order recited.

One of ordinary skill in the art would have been motivated to modify the reference in order to show the priority of steps.

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Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hao Fu whose telephone number is (571) 270-3441.

The examiner can normally be reached on Mon-Fri/Mon-Thurs 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

NAEEM HAQ
PRIMARY EXAMINER

Hao Fu
Examiner
Art Unit 4172

Oct-07

